
SENATE BILL 6711

State of Washington 60th Legislature 2008 Regular Session

By Senators Kauffman, Kilmer, Kohl-Welles, Keiser, and Kline

Read first time 01/22/08. Referred to Committee on Consumer Protection & Housing.

1 AN ACT Relating to preventing foreclosures by creating the smart
2 homeownership choices program; adding new sections to chapter 43.320
3 RCW; and making an appropriation.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.320 RCW
6 to read as follows:

7 (1) The smart homeownership choices program is created in the
8 department to assist low-income and moderate-income households, as
9 defined in RCW 84.14.010, facing foreclosure.

10 (2) The department shall enter into an interagency agreement with
11 the Washington state housing finance commission to implement and
12 administer this program with moneys from the account created in section
13 2 of this act. The Washington state housing finance commission will
14 request funds from the department as needed to implement and operate
15 the program.

16 (3) The commission shall, under terms and conditions to be
17 determined by the commission, assist homeowners who are delinquent on
18 their mortgage payments to bring their mortgage payments current in
19 order to become eligible to refinance into a different loan product.

1 Moneys may also be used for outreach activities to raise awareness of
2 this program. Not more than four percent of the total appropriation
3 for this program may be used for administrative expenses of the
4 department and the commission.

5 (4) The commission must provide an annual report to the legislature
6 at the end of each fiscal year of program operation. The report must
7 include information including the total number of households seeking
8 help to resolve mortgage delinquency, the number of program
9 participants that successfully avoided foreclosure, and the number of
10 program participants who refinanced a home, including information on
11 the terms of both the new loan product and the product out of which the
12 homeowner refinanced. The commission shall establish and report upon
13 performance measures, including measures to gauge program efficiency
14 and effectiveness and customer satisfaction.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.320 RCW
16 to read as follows:

17 The smart homeownership choices program account is created in the
18 custody of the state treasurer. All receipts from the appropriation in
19 section 4 of this act as well as receipts from private contributions
20 and all other sources that are specifically designated for the smart
21 homeownership choices program must be deposited into the account.
22 Expenditures from the account may be used solely for the purpose of
23 preventing foreclosures through the smart homeownership choices program
24 as described in section 1 of this act. Only the director of the
25 department or the director's designee may authorize expenditures from
26 the account. The account is subject to allotment procedures under
27 chapter 43.88 RCW, but an appropriation is not required for
28 expenditures.

29 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.320 RCW
30 to read as follows:

31 The Washington state housing finance commission shall only serve
32 low-income households, as defined in RCW 84.14.010, through the smart
33 homeownership choices program described in section 1 of this act using
34 state appropriated general funds in the smart homeownership choices
35 program account created in section 2 of this act. Contributions from

1 private and other sources to the account may be used to serve both low-
2 income and moderate-income households, as defined in RCW 84.14.010,
3 through the smart homeownership choices program.

4 NEW SECTION. **Sec. 4.** The sum of two hundred fifty thousand
5 dollars, or as much thereof as may be necessary, is appropriated for
6 the fiscal year ending June 30, 2008, from the general fund solely for
7 deposit in the smart homeownership choices program account created in
8 section 2 of this act for the purpose of this act.

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